

RAILROAD COMMISSION OF TEXAS GAS SERVICES DIVISION

GAS UTILITIES INFORMATION BULLETIN

No. 697



RAILROAD COMMISSION OF TEXAS

**Michael L. Williams, Chairman
Charles R. Matthews, Commissioner
Tony Garza, Commissioner**

**Steve Pitner
Director
Gas Services Division**

April 10, 2002

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Final Order issued in Gas Utilities Docket No. 9244, Statement of Intent of TXU Gas Distribution to change rates in the environs of the City of Fredericksburg, TX.

SECTION 1
NEW APPEALS AND APPLICATIONS FILED

DOCKET NO.	--	9291
CAPTION	--	Request of the Texas General Land Office for immediate action to stay abandonment and for establishment of transportation rate on Panther Pipeline, Ltd.
DATE FILED	--	March 23, 2002
FILED BY	--	John R. Hays
EXAMINER	--	Karl Nalepa
DOCKET NO.	--	9292
CAPTION	--	Statement of Intent of TXU Lone Star Pipeline to establish transportation rates designed to recover the costs of constructing and operating a pipeline.
DATE FILED	--	April 5, 2002
FILED BY	--	Ann Coffin
EXAMINER	--	
DOCKET NO.	--	9293
CAPTION	--	Inquiry into the failure of ALON USA, LP, to comply with safety standards.
DATE FILED	--	April 9, 2002
FILED BY	--	Commission's Own Motion
EXAMINER	--	Boyd Johnson

SECTION 2
APPEALS AND APPLICATIONS SET FOR HEARING OR PREHEARING CONFERENCE

None at this time.

SECTION 3
STATUS OF PENDING CASES

COMPLAINT BY CHUCK GABBERT	'	
	'	GAS UTILITIES DOCKET NO. 9254
AGAINST RELIANT ENERGY ENTEX	'	

ORDER EXTENDING TIME TO RULE ON MOTION FOR REHEARING

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551, *et seq.* (Vernon 1994 & Supp. 2002).

On March 5, 2002, the Railroad Commission of Texas (Commission) signed its Final Order in this docket. On March 8, 2000, the Commission mailed copies of the Final Order to all parties. Pursuant to TEX. GOV'T CODE ANN. § 2001.142(c) (Vernon 2000), the parties are presumed to have been notified of the Commission Order on March 11, 2002.

On March 28, 2002, Chuck Gabbert (Complainant) filed a letter with the Commission, the intent of which appears

to be a request for rehearing. Complainant is not represented by counsel. The letter is considered by the Commission to be a Motion for Rehearing. Replies to Complainant's Motion for Rehearing are due April 10, 2002.

Pursuant to TEX. GOV'T CODE ANN. § 2001.146(e) (Vernon 2000), the Commission has the authority to extend the time to rule on a motion for rehearing for 90 days from the date the parties were notified of the entry of an order that may become final under TEX. GOV'T CODE ANN. § 2001.144 (Vernon 2000).

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT the time for the Commission to consider and rule on the motion for rehearing filed by Complainant is extended for 90 days from the date the parties or their attorneys were notified of the entry of the final order, i.e., until June 10, 2002.

SIGNED this 9th day of April, 2002.

RAILROAD COMMISSION OF TEXAS

/s/CHAIRMAN MICHAEL L. WILLIAMS

/s/COMMISSIONER CHARLES R. MATTHEWS

/s/COMMISSIONER TONY GARZA

ATTEST:

/s/ Kim Williamson
SECRETARY

SECTION 4
NOTICES OF DISMISSAL

None at this time.

**SECTION 5
ORDERS OF THE COMMISSION**

STATEMENT OF INTENT OF TXU GAS DISTRIBUTION TO CHANGE RATES IN THE ENVIRONS OF THE CITY OF FREDERICKSBURG, TEXAS	, , , ,	GAS UTILITIES DOCKET NO. 9244
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FINAL ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551, *et seq.* (Vernon 1994 & Supp. 2002). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. TXU Gas Distribution (TXU) owns and operates the natural gas distribution system known as the Hill Country Distribution System, serving the City of Fredericksburg and environs.
2. On August 31, 2001, TXU filed with the Commission a Statement of Intent to increase its rates in the environs of Fredericksburg, Texas. The last rate increase for this service area was approved in GUD Docket No. 5725 and had an effective date of August 23, 1985.
3. TXU requested that the effective date for this rate change be the same day that new rates become effective in the City of Fredericksburg. Pursuant to the Final Order approved by the Commission in GUD Docket No. 9225, new rates became effective in the City of Fredericksburg on December 4, 2001.
4. TXU did not complete publication of notice of its statement of intent to raise rates until January 25, 2002. The examiners, therefore, established January 25, 2002, as the proposed effective date.
5. On December 4, 2001, the Commission suspended the implementation of TXU's proposed rates for 150 days beyond the proposed effective date.
6. TXU published notice of its statement of intent for four consecutive weeks in *The Fredericksburg Standard Radio Post* prior to January 31, 2002.
7. No environs customer filed a protest, a petition to intervene, or a request for a hearing, and no hearing was conducted on this matter.
8. TXU proposes that the rates charged to Fredericksburg environs customers equal the recently approved rates charged to customers in the City of Fredericksburg. As a result of the Order issued in GUD Docket No. 9225, an overall revenue requirement increase of \$261,198 was approved for customers in the City of Fredericksburg.
9. TXU's proposed rate increase within the environs of Fredericksburg would result in an overall revenue requirement increase of \$14,814.

10. TXU has proposed that rates be established for industrial customers. Although there are no industrial customers currently receiving service in the Fredericksburg environs, the requested rates were calculated based on the cost of service for the entire Hill Country Distribution System. That service area does include industrial customers and, therefore, the

11. requested industrial rates are based on the cost of providing service to industrial customers. Industrial customers are currently receiving service within the City of Fredericksburg and the requested environs rates are the same as those included in the city rates.

12. The data submitted to the Commission in this docket encompasses a full test-year, i.e. the twelve month period ending September 30, 2000.

13. The percentage of lost and unaccounted for gas in the Hill Country Distribution System and applicable to the Fredericksburg Environs is 1.16%.

14. TXU has agreed to limit its rate case expenses in this docket to \$5,412.00. Recovery of that amount through a per Mcf surcharge over a two-year time period will result in a rate case expense surcharge in the same amount as that assessed to city customers. It is reasonable to allow recovery of that amount in that manner.

15. Under the proposed rate design, TXU will have rates for three customer classes: Residential, Commercial and Industrial. Public authority school rates will be eliminated. Public authority schools will be included in the commercial customer class and charged commercial rates.

16. The rate increase will be phased in over two years for all customer classes.

17. First year rates will become effective for consumption on and after the date the Commission issues an order approving rates. Second year rates will become effective one year after first year rates become effective.

18. Under the proposed rate increase for Year 1, the Residential Customer Rate will consist of a customer charge of \$ 7.25 and a volumetric charge of \$ 0.8224 per Mcf, plus a cost of gas component to be determined in accordance with the attached Gas Cost Adjustment clause in Exhibit A. Under the proposed rate increase for Year 2, the Residential Customer Rate will consist of a customer charge of \$7.25 and a volumetric charge of \$1.4004 per Mcf, plus a cost of Gas Component to be determined in accordance with the attached Gas Cost Adjustment clause in Exhibit A.

19. Under the proposed rate increase for Year 1, the Commercial Customer Rate will consist of a customer charge of \$ 12.50 and volumetric charges of \$1.2525 per Mcf for the first 20 Mcf, \$0.9525 per Mcf for the next 30 Mcf, and \$0.8025 per Mcf for over 50 Mcf, plus a Cost of Gas Component to be determined in accordance with the attached Gas Cost Adjustment clause in Exhibit A. Under the proposed rate increase for Year 2, the Commercial Customer Rate will consist of a customer charge of \$12.50 and volumetric charges of \$1.6098 per Mcf for the first 20 Mcf, \$1.3098 per Mcf for the next 30 Mcf, and \$1.1598 per Mcf for over 50 Mcf, plus a Cost of Gas Component to be determined in accordance with the attached Gas Cost Adjustment clause in Exhibit A.

20. Under the proposed rate increase for Year 1, the Industrial Customer Rate will consist of a customer charge not to exceed \$ 125.00 and volumetric charges not to exceed \$0.3400 per MMBtu for the first 600 MMBtu, \$0.1989 per MMBtu for the next 650 MMBtu, \$0.1410 per MMBtu for the next 48,750 MMBtu and \$0.0598 per MMBtu for over 50,000 MMBtu, plus a Cost of Gas Component to be determined in accordance with the attached Gas Cost Adjustment clause in Exhibit A. Under the proposed rate increase for Year 2, the Industrial Customer Rate will consist of a customer charge not to exceed \$ 200.00 and volumetric charges not to exceed \$0.3601 per MMBtu for the first 600 MMBtu, \$0.2190 per MMBtu for the next 650 MMBtu, \$0.1611 per MMBtu for the next 48,750 MMBtu and \$0.0799 per MMBtu for over 50,000 MMBtu, plus a Cost of Gas Component to be determined in accordance with the attached Gas Cost Adjustment clause in Exhibit A.

21. The Industrial Customer Rates are the maximum rates that may be charged to Industrial Class Customers. Industrial Customer Rates are subject to TEX. UTIL. CODE ANN. § 104.003(b) (Vernon 1998) and are negotiable.
22. TXU's proposed base rates do not include gas commodity costs. Gas commodity costs will be charged 100 percent through the Gas Cost Adjustment mechanism.
23. The rates proposed by TXU and described in Findings of Fact Nos. 13 - 21 are just and reasonable.

CONCLUSIONS OF LAW

TXU is a gas utility as defined in TEX. UTIL. CODE ANN. §§ 101.003(7), 121.001 (Vernon Supp. 2002) and is subject to the Commission's jurisdiction under TEX. UTIL. CODE ANN. §§ 104.001, 121.051 (Vernon 1998).

The Commission has exclusive original jurisdiction over TXU and TXU's application under TEX. UTIL. CODE ANN. § 102.001(a)(1)(A) (Vernon Supp. 2002), § 104.001 (Vernon 1998).

Pursuant to TEX. UTIL. CODE ANN. § 104.103 (Vernon 1998), TXU provided proper notice of its statement of intent.

The revenue, rates and rate design recommended in the findings of fact are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory, and are sufficient, equitable, and consistent in application to each class of consumers, as required by TEX. UTIL. CODE ANN. §104.003 (Vernon 1998).

The revenue, rates, and rate design recommended in the findings of fact are reasonable and fix an overall level of revenues for TXU that will permit TXU a reasonable opportunity to earn a reasonable return on its invested capital used and useful in rendering service to the public over and above its reasonable and necessary operating expenses under TEX. UTIL. CODE ANN. § 104.051 (Vernon 1998), and otherwise comply with Chapter 104 of the Texas Utilities Code.

The revenue, rates, and rate design recommended in the findings of fact will not yield to TXU more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public, as required by TEX. UTIL. CODE ANN. § 104.052 (Vernon 1998).

TXU has met its burden of proving that the proposed rates are just and reasonable, under TEX. UTIL. CODE ANN. §104.008 (Vernon 1998).

It is reasonable for the Commission to allow TXU to include a cost of gas clause in its tariffs that allows the recovery of TXU's gas costs, under 16 TEX. ADMIN. CODE § 7.55 (West 2001).

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT TXU Gas Distribution's rates as requested and as reflected in the findings of fact are **HEREBY APPROVED** to be charged for gas delivered on or after the date of this Order. These rates shall apply only in the Fredericksburg environs of TXU as of the date of this order, and shall not apply to any other Hill Country Distribution System environs system that TXU acquires from another utility after the date of this order.

IT IS FURTHER ORDERED THAT TXU Gas Distribution **SHALL** include in its cost of gas charge only its reasonable and necessary gas purchase expenditures and that the reasonableness and prudence of TXU's gas purchases pursuant to its cost of gas clause are subject to reconciliation and adjustment and potential refunding in a subsequent proceeding.

IT IS FURTHER ORDERED THAT within 20 days of this order TXU Gas Distribution **SHALL** file tariffs and rate schedules in proper form that accurately reflect the rates approved by the Commission in this proceeding.

IT IS FURTHER ORDERED THAT within thirty (30) days of this order TXU will file with the Commission the exact calculation of the per Mcf surcharge to be assessed to allow recovery of rate case expenses. TXU is hereby authorized to assess that surcharge as detailed in the above Findings of Fact.

IT IS ORDERED THAT all proposed Findings of Fact and Conclusions of Law not specifically adopted herein are **DENIED**.

SIGNED this 9th day of April, 2002.

RAILROAD COMMISSION OF TEXAS

/s/CHAIRMAN MICHAEL L. WILLIAMS

/s/COMMISSIONER CHARLES R. MATTHEWS

/s/COMMISSIONER TONY GARZA

ATTEST:

/s/ Kim Williamson
SECRETARY

Exhibit A

Tariff for Gas Service
TXU Gas Distribution

RATE SCHEDULE:	Gas Cost Adjustment	No. 5058-1
APPLICABLE TO:	Fredericksburg Environs	

EFFECTIVE DATE:
GAS COST ADJUSTMENT

Each monthly bill shall be adjusted for gas cost as follows:

REVISION: 0 DATE:
PAGE: 1 OF 1

(1) The city gate rate increase or decrease applicable to current billing month sales shall be calculated to the nearest \$0.0001 per Mcf based upon:

(a) A volume factor of 1.0117 determined in establishing the above rate for the distribution system as the ratio of adjusted purchased volumes divided by adjusted sales volumes. Said factor shall be adjusted annually following determination of the actual lost and unaccounted for gas percentage, not to be less than zero, based upon year ended June 30.

(b) The city gate rate applicable to volumes purchased during the current calendar month, expressed to the nearest \$0.0001 per Mcf (shown below as "Re").

(c) A base city gate rate of \$0.0000 per Mcf.

In summary, the gas cost adjustment (GCA) shall be determined to the nearest \$0.0001 per Mcf as follows:

$GCA = ((1.0117) (Re - \$0.0000))$

SECTION 6
MISCELLANEOUS

STEVE PITNER, GAS SERVICES DIVISION DIRECTOR

1. OFFICE OF THE DIRECTOR

A. Publications

1. Texas Utilities Code Titles 3 and 4. Special Rules of Practice and Procedure and Substantive Rules - \$15.00
2. a. Annual Report for Fiscal Year 2001 – Now available via the Commission’s website at:
<http://www.rrc.state.tx.us/divisions/gs/tablecontents01.html>
 - a. Annual Report for Fiscal Year 2000 - \$17.00 (includes statistical data for 1999)
 - b. Annual Report for Fiscal Year 1999 - \$9.00 (includes statistical data for 1998)
 - c. Annual Report for Fiscal Year 1998 - \$7.00 (includes statistical data for 1997)
3. January 2000 Pipeline Safety Rules - \$24.00, includes: 49 CFR 191 & 192 and 16 TAC Sections 7.70-7.74 (gas) 49 CFR 193 (LNG); 49 CFR 195 and 16 TAC Sections 7.80-7.87 (hazardous liquids); 49 CFR 40 and 199 (drug testing).
4. Distribution and/or Gas Transmission Review forms for Adequacy of Operation, Maintenance and Emergency Manual - To obtain a copy of review forms at no charge, send a request with a self addressed envelope (10" x 13" preferably) with \$0.98 postage.
5. Six MCF Monthly Residential Gas Bill Analysis for Twenty-five Texas Cities - \$2.00 – Now available via the Commission’s website at: <http://www.rrc.state.tx.us/divisions/gs/rap/sixmcf.html>

Anyone who wishes to obtain a copy of any of the publications or maps listed in Section A should contact the Gas Services Division, P. O. Box 12967, Austin, Texas 78711-2967, (512) 463-7167.

B. Interest Rate on Customer Deposits

We have been advised by the Public Utility Commission that the interest rate to be applied to customer deposits in calendar year 2002 is 6.00%. All gas utilities should use this rate.

2. PIPELINE SAFETY SECTION

- A. Austin Headquarters - William B. Travis Building
1701 North Congress, (78701)
PO Box 12967
Austin, Texas 78711-2967 Telephone (512) 463-7058

Mary L. McDaniel, P.E., Assistant Director
William (Bill) Dase, Jr., P.E., Engineer
Terry Pardo, P.E., Engineer
K. David Born, Field Operations Manager
William (Bill) Meyer, Compliance Manager
Lee Thying, P.E., Engineer
Kendall Smith, Program Administrator
Maurice Curd, Program Administrator

Amarillo Region 1 - 7102 IH-40 West, Bldg. C., Amarillo, Texas 79106 Telephone (806) 468-7486

Scott Williamson, Engineering Specialist
Alan Mann, Engineering Assistant

Midland Region 2 - Petroleum Building, 214 West Texas, Suite 803, Midland, Texas 79701 Telephone (915) 570-5884

Glenn Taylor, Area Supervisor (Midland/Amarillo)
Larry Felio, P.E., Engineer
Keith Smith, Engineering Assistant
Tim Murray, Engineering Specialist (Abilene)

Kilgore Region 3 - 619 Henderson Boulevard, Kilgore, Texas 75662 Telephone (903) 984-8581

Bob Oldham, Engineering Specialist
James Alexander, Engineering Specialist
Jerry Hill, Engineering Specialist

Austin Region 4 - 1701 North Congress, P. O. Box 12967, Austin, Texas 78711 Telephone (512) 463-7050

Johnny Burgess, Engineering Specialist
Mark Arguelles, Program Administrator

Houston Region 5 - 1706 Seamist Drive, Ste 501, Houston, Texas 77008-3135 Telephone (713) 869-8425

Danny Nichols, Area Supervisor
Jerry Hoff, Engineering Specialist
Jim Arnold, Engineering Specialist
Randy Vaughn, Engineering Assistant
Gregory Johnson, Engineering Assistant
Frank Henderson, Engineering Assistant

Dallas Region 6 - 1546 Rowlett Rd., Suite 107, Garland, Texas 75043 Telephone (972) 240-5757

Jody Kerl, P.E., Area Supervisor (Dallas/Kilgore)
M. Kathryn Williams-Guzman, Engineering Specialist
San Sein, Engineering Assistant

Corpus Christi Region 7 - 10320 IH-37, P.O. Box 10307, Corpus Christi, Texas 78460-0307 Telephone (361) 242-3117

Don Gault, Area Supervisor
Steven Schmidt, Engineering Specialist
Steven Rios, Engineering Assistant
Jesse Cantu, Jr., Engineering Assistant

B. Monthly Summary (January)

No. of distribution safety evaluations - 106
No. of transmission safety evaluations - 69
No. of liquid safety evaluations - 11
No. of leak/calls - 48
No. of accident investigations - 11
No. of special investigations - 19

C. Reporting of Pipeline Accidents**1) NATURAL GAS**

Accidents on intrastate gas systems involving \$5,000 property damage, a fatality or injuries, gas ignition, or that are judged significant must be reported by telephone within two hours, and the written report filed within thirty (30) days. Call the 24-hour emergency phone number (512)463-6788 to report an accident. For your convenience this priority phone line is used only to report emergencies.

2) HAZARDOUS LIQUIDS

Accidents on intrastate hazardous liquid pipelines reportable under 49 CFR Sections 195.50 and 195.52 and 16 TAC Section 7.84(a) must be reported by telephone within two hours and the required written report filed within thirty (30) days. Call the 24-hour emergency phone number (512)463-6788 to report an accident. For your convenience this priority phone line is used only to report emergencies.

Rules and Regulations:

[Federal Register: April 2, 2002 (Volume 67, Number 63)]
[Notices]
[Page 15578-15579]
From the Federal Register Online via GPO Access [wais.access.gpo.gov]
[DOCID:fr02ap02-99]

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Substance Abuse and Mental Health Services Administration

Current List of Laboratories Which Meet Minimum Standards To Engage in Urine Drug Testing for Federal Agencies

AGENCY: Substance Abuse and Mental Health Services Administration, HHS.

ACTION: Notice.

SUMMARY: The Department of Health and Human Services notifies Federal agencies of the laboratories currently certified to meet standards of Subpart C of Mandatory Guidelines for Federal Workplace Drug Testing Programs (59 FR 29916, 29925). A notice listing all currently certified laboratories is published in the Federal Register during the first week of each month. If any laboratory's certification is suspended or revoked, the laboratory will be omitted from subsequent lists until such time as it is restored to full certification under the Guidelines.

If any laboratory has withdrawn from the National Laboratory Certification Program during the past month, it will be listed at the end, and will be omitted from the monthly listing thereafter.

This notice is also available on the internet at the following websites: <http://workplace.samhsa.gov>;
<http://www.drugfreeworkplace.gov>.

FOR FURTHER INFORMATION CONTACT: Mrs. Giselle Hersh or Dr. Walter Vogl, Division of Workplace Programs, 5600 Fishers Lane, Rockwall 2 Building, Room 815, Rockville, Maryland 20857; Tel.: (301) 443-6014, Fax: (301) 443-3031.

SUPPLEMENTARY INFORMATION: Mandatory Guidelines for Federal Workplace Drug Testing were developed in accordance with Executive Order 12564 and section 503 of Pub. L. 100-71. Subpart C of the Guidelines, "Certification of Laboratories Engaged in Urine Drug Testing for Federal Agencies," sets strict standards which laboratories must meet in order to conduct urine drug testing for Federal agencies. To become certified an applicant laboratory must undergo three rounds of performance testing plus an on-site inspection.

To maintain that certification a laboratory must participate in a quarterly performance testing program plus periodic, on-site inspections.

Laboratories which claim to be in the applicant stage of certification are not to be considered as meeting the minimum requirements expressed in the HHS Guidelines. A laboratory must have its letter of certification from SAMHSA, HHS (formerly: HHS/NIDA) which attests that it has met minimum standards.

In accordance with Subpart C of the Guidelines, the following laboratories meet the minimum standards set forth in the Guidelines:

ACL Laboratories, 8901 W. Lincoln Ave., West Allis, WI 53227, 414-328-7840/800-877-7016 (Formerly: Bayshore Clinical Laboratory)
ACM Medical Laboratory, Inc., 160 Elmgrove Park, Rochester, NY 14624, 716-429-2264

Advanced Toxicology Network, 3560 Air Center Cove, Suite 101, Memphis, TN 38118, 901-794-5770/888-290-1150

Aegis Analytical Laboratories, Inc., 345 Hill Ave., Nashville, TN 37210, 615-255-2400

Alliance Laboratory Services, 3200 Burnet Ave., Cincinnati, OH 45229, 513-585-9000 (Formerly: Jewish Hospital of Cincinnati, Inc.)

American Medical Laboratories, Inc., 14225 Newbrook Dr., Chantilly, VA 20151, 703-802-6900

Associated Pathologists Laboratories, Inc., 4230 South Burnham Ave., Suite 250, Las Vegas, NV 89119-5412, 702-733-7866 / 800-433-2750

Baptist Medical Center--Toxicology Laboratory, 9601 I-630, Exit 7, Little Rock, AR 72205-7299, 501-202-2783 (Formerly: Forensic Toxicology Laboratory Baptist Medical Center)

Clinical Laboratory Partners, LLC, 129 East Cedar St., Newington, CT 06111, 860-696-8115 (Formerly: Hartford Hospital Toxicology Laboratory)

Clinical Reference Lab, 8433 Quivira Rd., Lenexa, KS 66215-2802, 800-445-6917

Cox Health Systems, Department of Toxicology, 1423 North Jefferson Ave., Springfield, MO 65802, 800-876-3652/417-269-3093 (Formerly: Cox Medical Centers)

Diagnostic Services Inc., dba DSI, 12700 Westlinks Drive, Fort Myers, FL 33913, 941-561-8200/800-735-5416

Doctors Laboratory, Inc., P.O. Box 2658, 2906 Julia Dr., Valdosta, GA 31602, 912-244-4468

DrugProof, Division of Dynacare, 543 South Hull St., Montgomery, AL 36103, 888-777-9497/334-241-0522 (Formerly: Alabama Reference Laboratories, Inc.)

DrugProof, Division of Dynacare/Laboratory of Pathology, LLC, 1229 Madison St., Suite 500, Nordstrom Medical Tower, Seattle, WA 98104, 206-386-2672/800-898-0180, (Formerly: Laboratory of Pathology of Seattle, Inc., DrugProof, Division of Laboratory of Pathology of Seattle, Inc.)

DrugScan, Inc., P.O. Box 2969, 1119 Mearns Rd., Warminster, PA 18974, 215-674-9310

Dynacare Kasper Medical Laboratories *, 14940-123 Ave. Edmonton, Alberta, Canada T5V 1B4, 780-451-3702/800-661-9876

ElSohly Laboratories, Inc., 5 Industrial Park Dr., Oxford, MS 38655, Oxford, MS 38655, 662-236-2609

Express Analytical Labs, 3405 7th Avenue, Suite 106, Marion, IA 52302, 319-377-0500

Gamma-Dynacare Medical Laboratories *, A Division of the Gamma-Dynacare Laboratory Partnership, 245 Pall Mall St., London, ONT, Canada N6A 1P4, 519-679-1630

General Medical Laboratories, 36 South Brooks St., Madison, WI 53715, 608-267-6267

Kroll Laboratory Specialists, Inc., 1111 Newton St., Gretna, LA 70053, 504-361-8989/800-433-3823 (Formerly: Laboratory Specialists, Inc.)

LabOne, Inc., 10101 Renner Blvd., Lenexa, KS 66219, 913-888-3927/800-728-4064 (Formerly: Center for Laboratory Services, a Division of LabOne, Inc.)

Laboratory Corporation of America Holdings, 7207 N. Gessner Road, Houston, TX 77040, 713-856-8288/800-800-2387

Laboratory Corporation of America Holdings, 69 First Ave., Raritan, NJ 08869, 908-526-2400/800-437-4986 (Formerly: Roche Biomedical Laboratories, Inc.)

Laboratory Corporation of America Holdings, 1904 Alexander Drive,

Research Triangle Park, NC 27709, 919-572-6900/800-833-3984, (Formerly: LabCorp Occupational Testing Services, Inc., CompuChem Laboratories, Inc.; CompuChem Laboratories, Inc., A Subsidiary of Roche Biomedical Laboratory; Roche CompuChem Laboratories, Inc., A Member of the Roche Group)

Laboratory Corporation of America Holdings, 10788 Roselle Street, San Diego, CA 92121, 800-882-7272 (Formerly: Poisonlab, Inc.)

Laboratory Corporation of America Holdings, 1120 Stateline Road West,

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Southaven, MS 38671, 866-827-8042/800-233-6339 (Formerly: LabCorp Occupational Testing Services, Inc., MedExpress/National Laboratory Center)

Marshfield Laboratories, Forensic Toxicology Laboratory 1000 North Oak Ave. Marshfield, WI 54449, 715-389-3734/800-331-3734

MAXXAM Analytics Inc.*, 5540 McAdam Rd., Mississauga, ON, Canada L4Z 1P1, 905-890-2555 (Formerly: NOVAMANN (Ontario) Inc.)

Medical College Hospitals Toxicology Laboratory, Department of Pathology, 3000 Arlington Ave., Toledo, OH 43699, 419-383-5213

MedTox Laboratories, Inc., 402 W. County Rd. D, St. Paul, MN 55112, 651-636-7466/800-832-3244

MetroLab-Legacy Laboratory Services, 1225 NE 2nd Ave., Portland, OR 97232, 503-413-5295/800-950-5295

Minneapolis Veterans Affairs Medical Center, Forensic Toxicology Laboratory, 1 Veterans Drive, Minneapolis, Minnesota 55417, 612-725-2088

National Toxicology Laboratories, Inc., 1100 California Ave.,

Bakersfield, CA 93304, 661-322-4250/800-350-3515

Northwest Drug Testing, a division of NWT Inc., 1141 E. 3900 South, Salt Lake City, UT 84124, 801-293-2300/800-322-3361 (Formerly: NWT Drug Testing, NorthWest Toxicology, Inc.)

One Source Toxicology Laboratory, Inc., 1705 Center Street, Deer Park, TX 77536, 713-920-2559 (Formerly: University of Texas Medical Branch, Clinical Chemistry Division; UTMB Pathology-Toxicology Laboratory) Oregon Medical Laboratories, P.O. Box 972, 722 East 11th Ave., Eugene, OR 97440-0972, 541-687-2134

Pacific Toxicology Laboratories, 6160 Variel Ave., Woodland Hills, CA 91367, 818-598-3110/800-328-6942 (Formerly: Centinela Hospital Airport Toxicology Laboratory)

Pathology Associates Medical Laboratories, 110 West Cliff Drive, Spokane, WA 99204, 509-755-8991/800-541-7891x8991

PharmChem Laboratories, Inc., 4600 N. Beach, Haltom City, TX 76137, 817-605-5300, PharmChem Laboratories, Inc., Texas Division; Harris Medical Laboratory)

Physicians Reference Laboratory, 7800 West 110th St., Overland Park, KS 66210, 913-339-0372 / 800-821-3627

Quest Diagnostics Incorporated, 3175 Presidential Dr., Atlanta, GA 30340, 770-452-1590 (Formerly: SmithKline Beecham Clinical Laboratories, SmithKline Bio-Science Laboratories)

Quest Diagnostics Incorporated, 4770 Regent Blvd., Irving, TX 75063, 800-842-6152 (Moved from the Dallas location on 03/31/01; Formerly: SmithKline Beecham Clinical Laboratories, SmithKline Bio-Science Laboratories)

Quest Diagnostics Incorporated, 400 Egypt Rd., Norristown, PA 19403, 610-631-4600/877-642-2216 (Formerly: SmithKline Beecham Clinical

Laboratories, SmithKline Bio-Science Laboratories)
Quest Diagnostics Incorporated, 506 E. State Pkwy., Schaumburg, IL
60173, 800-669-6995/847-885-2010 (Formerly: SmithKline Beecham Clinical
Laboratories, International Toxicology Laboratories)
Quest Diagnostics Incorporated, 7600 Tyrone Ave., Van Nuys, CA 91405;
818-989-2520 / 800-877-2520 (Formerly: SmithKline Beecham Clinical
Laboratories)
Scientific Testing Laboratories, Inc., 463 Southlake Blvd., Richmond,
VA 23236, 804-378-9130
S.E.D. Medical Laboratories, 5601 Office Blvd., Albuquerque, NM 87109,
505-727-6300 / 800-999-5227
South Bend Medical Foundation, Inc., 530 N. Lafayette Blvd., South
Bend, IN 46601, 219-234-4176
Southwest Laboratories, 2727 W. Baseline Rd., Tempe, AZ 85283, 602-438-
8507 / 800-279-0027
Sparrow Health System, Toxicology Testing Center, St. Lawrence Campus,
1210 W. Saginaw, Lansing, MI 48915, 517-377-0520 (Formerly: St.
Lawrence Hospital & Healthcare System)
St. Anthony Hospital Toxicology Laboratory, 1000 N. Lee St., Oklahoma
City, OK 73101, 405-272-7052
Toxicology & Drug Monitoring Laboratory, University of Missouri
Hospital & Clinics, 2703 Clark Lane, Suite B, Lower Level, Columbia, MO
65202, 573-882-1273
Toxicology Testing Service, Inc., 5426 N.W. 79th Ave., Miami, FL 33166,
305-593-2260
Universal Toxicology Laboratories (Florida), LLC, 5361 NW 33rd Avenue,
Fort Lauderdale, FL 33309, 954-717-0300, 800-419-7187x419 (Formerly:
Integrated Regional Laboratories, Cedars Medical Center, Department of
Pathology)
Universal Toxicology Laboratories, LLC, 9930 W. Highway 80, Midland, TX
79706, 915-561-8851 / 888-953-8851
US Army Forensic Toxicology Drug Testing Laboratory, Fort Meade,
Building 2490, Wilson Street, Fort George G. Meade, MD 20755-5235, 301-
677-7085

The following laboratory is voluntarily withdrawing from the National Laboratory Certification Program on March 25, 2002: Quest Diagnostics Incorporated, 7470 Mission Valley Rd., San Diego, CA 92108-4406, 619-686-3200 / 800-446-4728, (Formerly: Nichols Institute, Nichols Institute Substance Abuse Testing (NISAT), CORNING Nichols Institute, CORNING Clinical Laboratories)

*The Standards Council of Canada (SCC) voted to end its Laboratory Accreditation Program for Substance Abuse (LAPSA) effective May 12, 1998. Laboratories certified through that program were accredited to conduct forensic urine drug testing as required by U.S. Department of Transportation (DOT) regulations. As of that date, the certification of those accredited Canadian laboratories will continue under DOT authority. The responsibility for conducting quarterly performance testing plus periodic on-site inspections of those LAPSA-accredited laboratories was transferred to the U.S. DHHS, with the DHHS' National Laboratory Certification Program (NLCP) contractor continuing to have an active role in the performance testing and laboratory inspection processes. Other Canadian laboratories wishing to be considered for the NLCP may apply directly to the NLCP contractor just as U.S. laboratories do.

Upon finding a Canadian laboratory to be qualified, the DHHS will recommend that DOT certify the laboratory (Federal Register, 16 July 1996) as meeting the minimum standards of the "Mandatory Guidelines for Workplace Drug Testing" (59 FR 29908-29931, June 9, 1994). After receiving the DOT certification, the laboratory will be included in the monthly list of DHHS certified laboratories and participate in the NLCP certification maintenance program.

Richard Kopanda,
Executive Officer, Substance Abuse and Mental Health Services Administration.

[FR Doc. 02-7879 Filed 4-1-02; 8:45 am]

BILLING CODE 4160-20-P

[Federal Register: April 5, 2002 (Volume 67, Number 66)]
[Proposed Rules]
[Page 16355-16358]
From the Federal Register Online via GPO Access [wais.access.gpo.gov]
[DOCID:fr05ap02-30]

DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

49 CFR Parts 191, 192, and 195

[Docket Number RSPA-99-6132]
RIN 2137-AD42

Pipeline Safety: Producer-Operated Outer Continental Shelf Natural Gas and Hazardous Liquid Pipelines That Cross Directly Into State Waters

AGENCY: Research and Special Programs Administration (RSPA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document proposes to implement a provision of the December 10, 1996, Memorandum of Understanding (MOU) between the Department of the Interior (DOI) and the Department of transportation (DOT) regarding safety regulations of Outer Continental Shelf (OCS) natural gas and hazardous liquid pipelines. This rule addresses producer-operated natural gas and hazardous liquid pipelines that cross into State waters without first connecting to a transporting operator's facility on the OCS. This proposed rule would also address the procedures by which producer operators could petition for approval to operate under RSPA regulations governing pipeline design, construction, operation, and maintenance.

DATES: Comments on the subject of this proposed rule must be received on or before June 4, 2002.

ADDRESSES: Comments should identify the docket number of this proposed rule, RSPA-99-6132, and be mailed to the Dockets Facility, U.S. Department of Transportation, 400 Seventh Street, SW., Plaza 401, Washington, DC 20590-0001. You should submit the original and one copy. Anyone who wants confirmation of receipt of their comments must include a stamped, self-addressed postcard. The Dockets facility is open from 10:00 a.m. to 5:00 p.m., Monday through Friday, except on Federal holidays. Alternatively, you may submit written comments to the docket electronically. To do so, log on to the Internet Web address <http://dms.dot.gov> and click on "Help" for instructions on electronic filing of comments. All written comments should identify the docket and notice numbers which appear in the heading of this notice.

FOR FURTHER INFORMATION CONTACT: You may contact L.E. Herrick by telephone at (202) 366-5523, by fax at (202) 366-4566, by mail at U.S. Department of Transportation, RSPA, DPS-10, room 7128, 400 Seventh Street, SW., Washington, DC 20590, or via e-mail to le.herrick@rspa.dot.gov regarding the subject matter of this notice. For copies of this notice or other material that is referenced herein you may contact the Dockets Facility by telephone at (202) 366-5046 or at the addresses listed above.

SUPPLEMENTARY INFORMATION: This rule is complementary to the RSPA Direct Final Rule (DFR) that addressed OCS natural gas or hazardous liquid pipeline facilities located upstream of the points at which operating responsibility for the pipeline facility transfers from a producing operator to a transporting operator (November 19, 1997; 62 FR 61692 and March 16, 1998; 63 FR 12659) and to the DOI Minerals Management Service (MMS) rule, "Producer Operated Pipelines that Cross Directly into State Waters," which was published in the Federal Register on July 27, 2000 (65 FR 46092).

Background

In May 1996, MMS and RSPA met with a joint industry workgroup, which was led by the American Petroleum Institute. The workgroup proposed that the agencies rely upon individual operators of natural gas and hazardous liquid production and transportation pipeline facilities to identify the boundaries of their respective facilities. The MMS and RSPA agreed with the industry proposal and entered into an interagency Memorandum of Understanding (MOU) on December 10, 1996. The MOU was published in a joint MMS-RSPA Federal Register Notice (February 14, 1997; 62 FR 7037-7039).

The MOU placed, to the greatest practical extent, OCS production pipelines under DOI responsibility and OCS transportation pipelines under DOT responsibility. Therefore, RSPA has primary regulatory responsibility for transporter-operated pipelines and associated pumping or compressor facilities on the OCS, while MMS has primary regulatory responsibility for producer-operated facilities and pipelines. Producing operators are companies which are engaged in the extraction and processing of hydrocarbons on the OCS. Transporting operators are companies which are engaged in the transportation of those hydrocarbons from the OCS. There are approximately 150 operators of producer pipelines and 75 operators of transportation pipelines on the OCS.

The MOU established a regulatory boundary on the OCS at the point where operating responsibility for the pipeline transfers from a producing operator to a transporting operator. The MOU did not address the producer-operated pipelines that cross the Federal/State boundary without a transfer on the OCS. However, the MOU provided the agencies with the flexibility to address situations that do not correspond to the general definition of the regulatory boundary.

The purpose of this proposed rule is to address regulatory questions regarding producer-operated pipeline facilities that cross the Federal/State boundary without first connecting to a transporting operator's facility on the OCS and to establish a procedure whereby OCS producing operators may petition to have their pipelines regulated by RSPA. The rule would amend 49 CFR parts 191.1(b)(1), 192.1(b)(1) and 195.1(b)(5).

When we published the DFR to implement the December 1996 MOU on November 19, 1997 (62 FR 61692), we received comments from Chevron U.S.A. Production Company and Chevron Pipe Line Company in which they observed that the proposed regulation did not appear to allow OCS producer-operated pipelines to remain under DOT regulatory authority. The commenters requested that provision be made to allow producers to continue to operate under DOT regulations if approval is obtained from DOI.

This arose because the regulatory boundaries in the MOU and the DFR were described in terms of specific points on OCS pipelines where operating responsibility transfers from a producing operator to a connecting transporting operator. The producer-operated pipelines that cross the Federal/State boundary into State waters without first connecting to a transporter-operated facility were not affected. Nor were the producer lines that flow from State waters to production platforms located on the OCS.

Regardless of the direction of flow, producer pipelines that cross the Federal/State boundary are always subject to RSPA regulation on the portions of the lines located in State waters. However, it does not make operational sense to have a pipeline segment crossing the Federal/State boundary subject to MMS regulations on the OCS side of the boundary and RSPA regulations on the State side of the boundary. We believe that a regulatory

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boundary point is better defined in terms of a specific point that isolates one segment of a pipeline from another. By contrast, the Federal/State geographic boundary does not allow the isolation of facilities on each side of the boundary.

Therefore, for producer-operated pipeline facilities that cross into State waters without first connecting to a transporting operator's facility on the OCS, we propose that pipeline segments located upstream (generally seaward) of the last valve on the last production facility (excluding pipeline risers and associated safety equipment) be exempted from compliance with 49 CFR parts 190-199.

Under this arrangement, producer-operated pipeline facilities upstream (generally seaward) of the last valve on the last production facility on the OCS would be regulated under MMS regulations. RSPA would continue to inspect all upstream safety equipment (including valves, over-pressure protection devices, cathodic protection equipment, and pigging devices) that serve to protect the integrity of the RSPA-regulated pipeline segments. This arrangement is consistent with the general intent of the MOU. However, producer-operators whose lines do not transfer operating responsibility on the OCS may petition RSPA for a different regulatory boundary. An important principle of the industry agreement leading to the MOU is to allow the operators to agree to the regulatory boundaries on their facilities. Therefore, producer pipeline operators may petition RSPA's Office of Pipeline Safety under 49 CFR 190.9 for approval to operate under RSPA regulations governing pipeline design, construction, operation, and maintenance. In considering such petitions, the RSPA Administrator, or designee, will consult with the MMS and the affected parties.

This proposed rule would affect about 215 producer-operated pipelines that are being regulated according to a now-superseded 1976 MOU between DOI and DOT. By exempting the producer-operated pipelines from RSPA regulation, this rule would reduce the overlapping regulations in accordance with the MOU of December 10, 1996. The rulemaking would have minimal economic impact on any of the affected operators.

Regulatory Analyses and Notices

A. E.O. 12866 and DOT Regulatory Policies and Procedures

DOT does not consider this action to be a significant regulatory action under section 3(f) of Executive Order 12866 (58 FR 51735; October 4, 1993). Therefore, it was not forwarded to the Office of Management and Budget. This proposed rule is not significant under DOT's regulatory policies and procedures (44 FR 11034; February 26, 1979). A regulatory evaluation of this proposal was prepared and placed in the docket of this action.

Benefits

Without the proposed rule, the pipeline operations of a large number of producers with pipelines crossing directly into State waters could remain subject to overlapping regulations for design, construction, operation, and maintenance. This includes about 35 producers in Gulf of Mexico OCS waters and 10 producers operating in California OCS waters. This would be contrary to the intent of the American Petroleum Institute and industry agreement and the MOU to regulate producer-operated pipelines under DOI and transporter-operated pipelines under DOT.

By implementing the proposed rule, RSPA will bring these pipelines under the provisions of the 1996 MOU. This should serve to minimize confusion among operators concerning which regulations they are expected to follow. We estimate that each OCS producer operator spends on average one-half person year annually per OCS pipeline to comply with RSPA regulations. Assuming that a loaded wage for a person year in the pipeline industry is \$50,000, each company could realize a savings of \$25,000 annually ($\$50,000 \times 0.5$ person-years = \$25,000). The annual savings to the entire industry could be as high as \$1,125,000 ($\$25,000 \times 45$ operators = \$1,125,000).

Costs

The administrative costs of the proposed rule are minimal. Paperwork costs would arise only in cases when a producer pipeline operator decided to request that its pipeline continue to be regulated as a RSPA facility. We estimate that less than 10 producer pipeline operators will request to remain under RSPA regulation. We estimate that the time for developing each request and submitting it to MMS and RSPA will be about 40 hours. Based on 10 requests at 40 hours each, the total one-time burden of requesting to remain under RSPA regulation will be less than 400 hours. Based on \$35 per hour, we estimate that the total administrative cost to respondents is less than \$14,000 (\$1,400 per request) during the first year that the rule is implemented. In the first year, nearly all producer pipeline operators would have decided whether to automatically convert to MMS regulation or apply to remain under RSPA regulation. We anticipate that in following years, not more than two operators a year would submit a request to change their regulatory status at a total cost of \$2,800.

However, for most following years it is highly unlikely that any request would be made as a result of the proposed rule. The proposed rule does not have a significant economic effect (less than \$100 million); therefore, RSPA does not consider it to be a major rule. We do not expect there to be any increases in costs or prices for consumers, individual industries, Federal, State, or local governments, agencies, or geographic regions to result from implementing the proposed rule. Any indirect effects on costs or prices are anticipated to be negligible.

This proposed rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; materially alter the budgetary impact of entitlement, grants, user fees, or loan programs; or raise novel legal or policy issues. The proposed rule will not have any effect on competition, employment, investment, productivity, innovation, or on the ability of U.S. based enterprises to compete with foreign based enterprises in other markets because the economic effects are minor. Therefore, a Regulatory Impact Analysis is not required under E.O. 12866.

B. Federalism Assessment

The proposed rule would not have substantial direct effects on States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612 (October 30, 1987; 52 FR 41685), we have determined that this notice does not have sufficient Federalism implications to warrant preparation of a Federalism Assessment.

C. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) RSPA must consider whether a rulemaking would have a significant impact on a substantial number of small entities. MMS recently conducted an analysis of 150 operators on the Gulf of Mexico OCS.

For publicly-traded operators, numbers of employees and annual sales are readily available on the Internet. MMS was not able to get information on all operators on the OCS. Using the criterion that a small company is one

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that employs less than 500 employees, 60 operators are medium-to-large-size entities. Of the remaining operators, 36 are small, based on available data, and 44 others were presumed to be small because no information about them was available on the Internet. In sum, 80 operators on the Gulf of Mexico OCS may be considered to be small.

The above breakdown describes the OCS sector of the natural gas and hazardous liquid industry as a whole and provides the wider context in which to examine the actual community that would be affected by the proposed rule.

Of the 150 production operators in the Gulf of Mexico, only 35 would be directly affected by the proposed rule. Of these 35 operators, 11 are considered to be "small." There are about ten producer pipeline operators on the Pacific OCS that may be affected by the proposed rule, and four of these are considered to be small. Of the small operators to be affected by the proposed rule, almost all are represented by the North American Industry Classification System (NAICS) code 211111, which represents crude petroleum and natural gas producers.

A pipeline company (non-producer) is a "small entity" if it is a liquid pipeline company with fewer than 1,500 employees, or a natural gas pipeline company with gross annual receipts of \$25 million or less. There are about 18 entities operating on the OCS that can be interpreted as "small independent pipeline companies." These small pipeline companies provide transportation services for several non-major oil or gas producers with which they have an "arms-length" but symbiotic business relationship. These companies are represented primarily by NAICS codes 486210 (crude petroleum pipelines) and 486210 (natural gas transmission pipelines).

The larger operators to be affected by the rule mostly fall into either NAICS Code 211111 (crude petroleum and natural gas producers), or NAICS Code 324110, which represents petroleum refining. Companies operating on the OCS and that fall into NAICS Code 324110 tend to be the very large integrated natural gas and hazardous liquid companies.

Two of the larger operators in the Gulf of Mexico that have production pipelines are represented under NAICS Code 486210 (natural gas transmission), and by NAICS Code 221210 (natural gas distribution).

These classifications mean that the operators in question normally operate as pipeline companies, and we anticipate that these two operators may choose to remain under RSPA regulation. Pipeline companies are considered "small" if they have fewer than 1,500 employees, but both of these operators would be considered "large" under the 1,500-employee criterion.

Natural gas and hazardous liquid production and transportation companies are classified under NAICS Codes by the Census Bureau. The Small Business Administration further classifies "small businesses"

in the various offshore sectors as follows: (1) Oil and gas producers that have fewer than 500 employees; (2) liquid pipeline companies that have fewer than 1,500 employees; (3) natural gas pipeline companies that have gross annual receipts of \$25 million or less; and (4) offshore oil and gas field exploration service or production service companies that have gross annual receipts of \$5 million or less. There are many companies on the OCS that are "small businesses" by these definitions.

However, the technology necessary for conducting offshore oil and gas exploration and development activities is very complex and costly, and most entities that engage in offshore activities have financial resources disproportionate to their numbers of employees and well beyond what would normally be considered "small business." These entities customarily conduct their operations by contracting with offshore drilling or service companies, and therefore tend to have few employees in relation to their financial resources.

There are up to 150 designated operators of leases and 75 operators of transmission pipelines on the OCS (both large and small operators), and the economic impacts on the oil and gas production and transmission companies directly affected would be minor. All costs imposed by the rule would be small compared to the normal operating and maintenance expenses experienced by offshore pipeline operators. Direct costs to industry for the entire proposed rule total less than \$14,000 for the first year. This rule would not impose any new restrictions on small pipeline service companies or manufacturers, nor will it cause their business practices to change.

We conclude that the proposed rule would not have a significant economic impact on a substantial number of small entities. Therefore, I certify, pursuant to section 605 of the Regulatory Flexibility Act (5 U.S.C. 605), that this proposal will not, if implemented, have a significant economic impact on a substantial number of small entities. However, we are particularly interested in receiving comments from any small business operators believing otherwise. This certification is subject to modification as a result of a review of the comments received in response to this proposal.

D. Executive Order 13084

This proposed rule has been analyzed in accordance with the principles and criteria contained in Executive Order 13084 ("Consultation and Coordination with Indian Tribal Governments").

Because this proposed rule effects the Federally managed OCS and does not affect the communities of the Indian tribal governments and nor impose any direct compliance costs, the funding and consultation requirements of Executive Order 13084 do not apply.

E. Executive Order 13132

This proposed rule has been analyzed in accordance with the principles and criteria contained in Executive Order 13132 ("Federalism"). This proposed rule does not propose any regulation that:

- (1) Has substantial direct effects on the States, the relationship between the national government and the States, or the distribution of power and responsibilities among the various levels of government;
- (2) Imposes substantial direct compliance costs on States and local governments; or
- (3) Preempts state law.

Therefore, the consultation and funding requirements of Executive Order 13132 (64 FR 43255; August 10, 1999) do not apply.

F. Unfunded Mandates

This proposed rule would not impose unfunded mandates under the Unfunded Mandates Reform Act of 1995. It would not result in costs of over \$100 million or more to either State, local, or tribal governments, in the aggregate, or to the private sector, and is the least burdensome alternative that achieves the objectives.

G. Paperwork Reduction Act

This proposed rule does not contain information collection requirements estimated to effect more than ten respondents per year.

H. National Environmental Policy Act

We have analyzed this action for purposes of the National Environmental Policy Act (42 U.S.C. 4321 et seq.) and have determined that this proposed rule would not significantly affect the quality of the human environment. The Environmental Assessment of this proposal is available for review in the docket.

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I. Executive Order 13211 (Energy)

We have reviewed this proposed rule in accordance with Executive Order 13211 regarding the energy of Federal regulations and have determined that this proposed rule does not have any adverse effects on energy supply, distribution, or use. Therefore, no reasonable alternatives to this action are necessary.

List of Subjects

49 CFR 191

Gas, Pipeline safety. Reporting and recordkeeping requirements.

49 CFR Part 192

Hazardous liquid, Natural gas, Pipeline safety, Pipelines, Reporting and recordkeeping requirements.

49 CFR Part 195

Ammonia, Carbon dioxide, Petroleum, Pipeline safety, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, 49 CFR Parts 191, 192 and 195 is proposed to be amended as follows.

PART 191--[AMENDED]

1. The authority citation for part 191 would continue to read as follows:

Authority: 49 U.S.C. 5121, 60102, 60103, 60104, 60108, 60117, 60118, 60124; and 49 CFR 1.53.

2. Section 191.1 would be amended by revising paragraph (b) to read as follows:

Sec. 191.1 Scope.

* * * * *

(b) * * *

(1) Offshore gathering of gas in State waters upstream from the outlet flange of each facility where hydrocarbons are produced or where produced hydrocarbons are first separated, dehydrated, or otherwise processed, whichever facility is farther downstream;

(2) Pipelines on the Outer Continental Shelf that are producer-operated and cross into State waters without first connecting to a transporting operator's facility, upstream (generally seaward) of the last valve on the last production facility (excluding pipeline risers and associated safety equipment). Producing operators may petition the Administrator, or designee, for approval to operate under RSPA regulations governing pipeline design, construction, operation, and maintenance under 49 CFR 190.9;

(3) Pipelines on the Outer Continental Shelf upstream of the point at which operating responsibility transfers from a producing operator to a transporting operator; or

(4) Onshore gathering of gas outside of the following areas:

(i) An area within the limits of any incorporated or unincorporated city, town, or village.

(ii) Any designated residential or commercial area such as a subdivision, business or shopping center, or community development.

PART 192--[AMENDED]

1. The authority citation for Part 192 would continue to read as follows:

Authority: 49 U.S.C. 5103, 60102, 60104, 60108, 60109, 60110, 60113, 60118; and 49 CFR 1.53.

2. Section 192.1 would be amended by revising paragraphs (b)(1) through (5) and adding paragraph (b)(6) to read as follows:

Sec. 192.1 Scope of part.

* * * * *

(b) * * *

(1) Offshore gathering of gas in State waters upstream from the outlet flange of each facility where hydrocarbons are produced or where produced hydrocarbons are first separated, dehydrated, or otherwise processed, whichever facility is farther downstream;

(2) Pipelines on the Outer Continental Shelf that are producer-operated and cross into State waters without first connecting to a transporting operator's facility, upstream (generally seaward) of the last valve on the last production facility (excluding pipeline risers and associated safety equipment). Producing operators may petition the Administrator, or designee, for approval to operate under RSPA regulations governing pipeline design, construction, operation, and maintenance under 49 CFR 190.9;

(3) Pipelines on the Outer Continental Shelf upstream of the point at which operating responsibility transfers from a producing operator to a transporting operator;

(4) Onshore gathering of gas outside of the following areas:

(i) An area within the limits of any incorporated or unincorporated city, town, or village.

(ii) Any designated residential or commercial area such as a subdivision, business or shopping center, or community development.

(5) Onshore gathering of gas within inlets of the Gulf of Mexico except as provided in Sec. 192.612; or

(6) Any pipeline system that transports only petroleum gas or petroleum gas/air mixtures to--

(i) Fewer than 10 customers, if no portion of the system is located in a public place; or

(ii) A single customer, if the system is located entirely on the customer's premises (no matter if a portion of the system is located in a public place).

PART 195--[AMENDED]

1. The authority citation for Part 195 would continue to read as follows:

Authority: 49 U.S.C. 5103, 60102, 60104, 60108, 60109, 60118; and 49 CFR 1.53.

2. Section 195.1 would be amended by redesignating paragraphs (b)(7), (8) and (9) as paragraphs (b)(8), (9) and (10), respectively; revising paragraphs (b)(5) and (6); and adding a new paragraph (b)(7) to read as follows:

Sec. 195.1 Applicability.

* * * * *

(b) * * *

(5) Transportation of hazardous liquid or carbon dioxide in offshore pipelines in State waters which are located upstream from the outlet flange of each facility where hydrocarbons or carbon dioxide are produced or where produced hydrocarbons or carbon dioxide are first separated, dehydrated, or otherwise processed, whichever facility is farther downstream;

(6) Transportation of hazardous liquid or carbon dioxide in Outer Continental Shelf pipelines which are located upstream of the point at which operating responsibility transfers from a producing operator to a transporting operator;

(7) Pipelines on the Outer Continental Shelf that are producer-operated and cross into State waters without first connecting to a transporting operator's facility, upstream (generally seaward) of the last valve on the last production facility (excluding pipeline risers and associated safety equipment). Producing operators may petition the Administrator or designee for approval to operate under RSPA regulations governing pipeline design, construction, operation, and maintenance under 49 CFR 190.9;

* * * * *

Issued in Washington, DC on March 15, 2002.

Stacey L. Gerard,

Associate Administrator for Pipeline Safety.

[FR Doc. 02-6825 Filed 4-4-02; 8:45 am]

BILLING CODE 4910-60-P

3. AUDIT SECTION**A. Maintains headquarters and three district offices as follows:**

Headquarters - William B. Travis Building

1701 North Congress, P. O. Box 12967, Austin, Texas 78701

Ed Abrahamson, Assistant Director

Telephone (512) 463-7022

Dallas District- 1546 Rowlett Rd., Suite 107, Garland, Texas 75043

Telephone (972) 240-5757;

Fax (972)303-1897

Stephen Cooper, Auditor

Josh Settle, Auditor

Austin District- P. O. Box 12967, Austin, Texas 78711-2967

Telephone (512) 463-7022

Houston District- 1706 Seamist Drive. Suite 501, Houston, Texas 77008-3135

Telephone (713) 869-8425;

Fax (713)869-3219

Mark Brock, Supervising Auditor

Dale Francis, Auditor

Margie Stoney, Auditor

Konata Uzoma, Auditor

Lekisha Churchwell, Auditor

Larry Alcorn, Auditor

B. Gas Utility Tax, Annual Reports and Audit Reports

Questions relating to gas utility tax, annual reports and audit reports, call Shannon L. Miller at (512) 463-7022.

C. Available Information

Copies of company annual reports (1994 to present), as well as information relating to any of the above, A through C, are available for review at the William B. Travis Building, Gas Services Division, 9th Floor, 1701 North Congress. All requests for copies must be made in writing and should be addressed to the Audit Section. Copies will be provided for a fee, depending on the volume of copy work desired, allow a minimum of five days for completion of requests. Inquiries regarding copies should be directed to the Audit Section at (512) 463-7022, or Fax your request to (512) 475-3180.

4. REGULATORY ANALYSIS AND POLICY**A. Maintains the following office to assist you:**

Headquarters - William B. Travis Building

1701 North Congress, P.O. Box 12967, Austin, Texas 78711

Karl Nalepa, Assistant Director

Telephone (512) 463-7164

B. Gas Utilities Information BulletinPublished on the Commission's web site at: <http://www.rrc.state.tx.us/divisions/gs/rap/rapbls.html>.**C. Proposals For Decision**Published on the Commission's web site at: <http://www.rrc.state.tx.us/divisions/gs/rap/pfds.html>.**D. Tariff Filings**

Questions pertaining to the filing of tariffs and/or quality of service rules should be directed to Kathy Arroyo, or Sandra Soto at (512) 463-7164.

E. Curtailments

Curtailment questions should be referred to Sandra Soto at (512) 463-7164. Curtailment reports made Monday through Friday, 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7164. Curtailment reports made during hours other than those specified above and holidays, should be made to (512) 463-6788, (512) 896-3863 (digital pager), (512) 892-1772 or (512) 280-5949.

F. Compliance Filings

Questions regarding gas utilities docket compliance filing requirements should be referred to Jackie Standard at (512) 463-7164.

G. Complaints and Inquiries

All complaints and inquiries relating to the gas utility industry should be directed to the Regulatory Analysis and Policy section at (512) 463-7164.

5. HEARINGS AND LEGAL ANALYSIS**A. Miscellaneous**

Anyone wishing to obtain copies of appendices to Orders appearing in Section 5 of this Bulletin should contact the Legal Division at (512) 463-7017.

B. Status of Pending Cases

The status of all pending cases listed in Section 3 of this Bulletin is for informational purposes only and is complete up to the time of printing of this Bulletin. For a more accurate status of pending cases, please call the Legal Division at (512) 463-7017.